

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7088

BILL NUMBER: SB 490

DATE PREPARED: Jan 5, 2002

BILL AMENDED:

SUBJECT: Commission for the Blind.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill creates the Commission for the Blind and Visually Impaired. The bill repeals provisions concerning Rehabilitation Services Bureau programs concerning: (1) rehabilitation centers for blind and visually impaired individuals; and (2) blind vending services. The bill transfers responsibility for these programs to the Commission.

Effective Date: July 1, 2002; July 1, 2003.

Explanation of State Expenditures: This bill transfers the duties as well as revenues for blind vending services from the Rehabilitation Services Bureau to a new Commission for the Blind and Visually Impaired. The new Commission will incur startup costs and may incur administrative costs in addition to the normal cost of continuing services. Discussion of costs and services are broken out into several categories. Total cost of the provisions of this bill depend upon administrative actions and future appropriations.

Administrative: The Commission will have five members appointed by the Governor for three-year terms. The Commission is required to meet quarterly with other meetings as needed. The commissioners are eligible for a \$50 per diem. The cost of meetings will be \$1,000 annually for 4 meetings, and \$250 for each additional meeting.

The Commission may incur increased overhead and administrative costs. Previously, the Division of Disability, Aging, and Rehabilitative Services (DDARS) and the FSSA central office provided administrative support for blind and visually impaired services. Depending upon administrative action, these support services may not transfer over from DDARS to the new Commission. Administrative services represent 4.03% of the budget for the Family and Social Services Agency, and 0.18% of the DDARS budget. The administrative cost for blind and visually impaired services is estimated to be \$166,488 currently. If these functions and support are not transferred to the new Commission additional administrative and overhead expenditures may be required. If current work space is maintained, additional overhead costs will be minimal.

Independent Living: The Independent Living services will only incur administrative expenses. See the above discussion.

Rehabilitation Center: The bill allows the Commission to develop a new rehabilitation and training center. The new center will provide services similar to what the Division of Disability, Aging, and Rehabilitative Services (DDARS) provides currently. This bill repeals the enabling legislation for the Bosma Rehabilitation Center. The FY 2002 budget for Blind and Visually Impaired Services in DDARS is \$1.6 M, with \$341,170 in state funds currently.

The Commission is responsible for establishing and administering programs beyond what DDARS currently provides. These programs and services include: a program to certify Braille instructors, creation of an instructional media center, and development and administration of programs to further the provision of services to the blind and visually impaired as determined by the Commission. The costs of these new programs and services are not known, and cannot be determined until the Commission decides on the full suite of new services and programs to be offered. Any new services are contingent upon the appropriation of additional funds.

The Family and Social Services Agency (FSSA) is the designated point of contact and recipient for federal vocational rehabilitation money. This bill splits blind vocational rehabilitation services from other vocational rehabilitation services managed by FSSA. The Commission cannot receive federal funds for these programs unless a vehicle such as a memorandum of agreement is used. The Commission and FSSA should be able to absorb the cost to develop a memorandum of agreement given their current budgets and resources.

Vending Services: This bill transfers the blind vending services from FSSA to the new Commission. In addition, the bill contains some new language regarding these services. The Commission shall have sole vending authority in buildings owned or leased by the state, a county, a township, a city, or a town. This may expand the number of vending opportunities available to the Commission's constituents. In addition, the bill includes language that the Commission shall relinquish the exclusive right to operate vending services in a building for not more than two years if certain conditions are met. Both of these provisions may have a fiscal impact on the blind vending services budget. However, cost to the Commission cannot be determined at this time.

Health Insurance: This bill allows a blind or visually impaired individual who operates a vending facility to purchase state health insurance. These individuals are currently excluded from purchasing benefits due to their contractor status. The vendor will pay 100% of the premium and associated administrative costs. One of six health providers responded that this provision would increase premiums for all state employees enrolled in that plan between \$2 and \$6 per member per month due to an adverse experience factor. Given this response, the cost to adding these individuals to the state employee pool is estimated to be between \$0.5 M to \$1.5 M. However, given that five of the six providers stated that this provision would have either no impact or minimal impact to plan rates, the actual cost of this provision is expected to be below this figure. Competition between providers may reduce this cost to the point that it has no significant impact.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: All state agencies.

Local Agencies Affected:

Information Sources: Elizabeth Ackmann, Budget Analyst, State Budget Agency, (317) 232-5632; Alison Becker, Deputy Director Fiscal Services, (317) 234-1527; Amy Brown, Legislative Director for FSSA, (317) 232-1149; Tom Quarto, Section Director, FSSA, (317) 232-4719; BudSTARS; Debra Webb, Division Director, Benefits, Disability & Worker's Comp Division, State Personnel Department, (317) 232-8828.